

FIRST FLIGHT

VENTURE CENTER

Business Incubation
A Research Triangle Park
Resource



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March 7, 2008: Models for Early Stage Company Incubation
FFVC: High Technology Business Incubator Experience

Models for Early Stage Growth

- University based Tech Accelerator/Incubator
- Private/For Profit Incubators, generally gone
- On your own...
- Non-Profit General Purpose Incubators, most common model
- Non-Profit Hi-Tech Incubator, fairly rare...First Flight Venture Center, selected by the EU based Science-Alliance as Best Science Incubator in the world

Tenant Company Profile



- Tough like a Cockroach: hard to kill
- No control over Macro Economic Environment: Like riding a wave
- On Their Own: Small fish in big ocean
- Need lots of support: From FFVC –Cultural Environment
- Cash Flow is KING

Selection Criteria

- Market opportunity – Market Size
 - Must provide a need, or
 - Must be solution to a problem
- Solution – Product or Service
 - Market Readiness
 - Intellectual Property protection/Patents
- The Entrepreneurial Team – People
 - Experience, complete skill sets
 - Entrepreneurial Retreads
- Notice, NO Technology Review

Facility Services

- Facilities Management, 24 hours a day, 7 days a week
- Advanced Digital Systems: voice/data
 - 10Meg bandwidth
 - Complete flexibility
- Business services
 - Receptionist, copier, fax, etc
 - Conference facilities, LCD Projector, and phone
- Extreme Flexibility, turn key operation

New Venture Advisory

- Legal Guidance...structuring the deal
- Customized Business Guidance
- Financial: strategy, the business model
- Business Plan development
- Presentation Development and Coaching
- Locate and Qualify Investors
- Area Networking - Tenant Functions

Entrepreneurial Development

- Supportive Culture, help Entrepreneurs through the Ups and Downs – for most a huge Environment Shift
- Advise Entrepreneur, learn about his/her venture
- Go through the risks of the venture
 - Solve a problem, market size
 - The solution, technological risk
 - People/team – FFVC can fill in voids
 - Money – how much, where from, the DEAL

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Graduation

- Product completed
 - Clear Focus to Completion to Market Acceptance
- Equity to Grant to Revenue Funding
 - Ideally cash flow positive
- Complete Management team
- Typically 18 to 30 months
- Failed Company
 - Failing Fast = Better
 - 6 months

FFVC Success Stories

- Medical Devices: Advanced Liquid Logic
 - 2 Duke PhDs enter, 350SF
 - 25 Months, Angel, Series A and Grant Funding
 - 14 Employees, now over 30 with over 5,000SF
- Drug Discovery: Cognosci
 - Duke PhD enter, 300SF, grew to 1,200SF
 - 89 Months, \$10M in grants
 - 8 Employees, now over 5,000SF
 - Working on Pharma Partnership and/or Equity deal; \$11M to \$50M
- Healthcare Services: Radarfind
 - 2 Independent Scientists and Serial Entrepreneur MBA
 - 6 Paying customers
 - 43 Months, Self Funded, Angel and Series A, over 5M
 - 14 Employees, now over 20 with over 6,000SF

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